

KEY ACCOUNT MANAGER
ACCOUNT RESPONSIBILITY
SECTION 41 - Detroit

	<u>Detroit</u>	<u>Grand Rapids</u>
S/M	Kroger Division* - 57 Stores A & P Division* - 55 Hamady Bros.* - 29	Meijers - 41 Stores Hardings Markets - 41 D & W Food Centers - 14
C/G	Total Petroleum - 71 Best Division of Total - 69	Wesco Oil - 30 Zephyr - 40
Mass Merchandisers	K mart - 2,038	-
Drug	Perry - 171 Arbor - 51	-
W/G	-	Spartan Stores* S. Abraham & Sons
Tobacco Distributors	J & J Wholesale Fontana Bros.** Total Accounts - 10	L & L Jiroch Total Accounts - 8

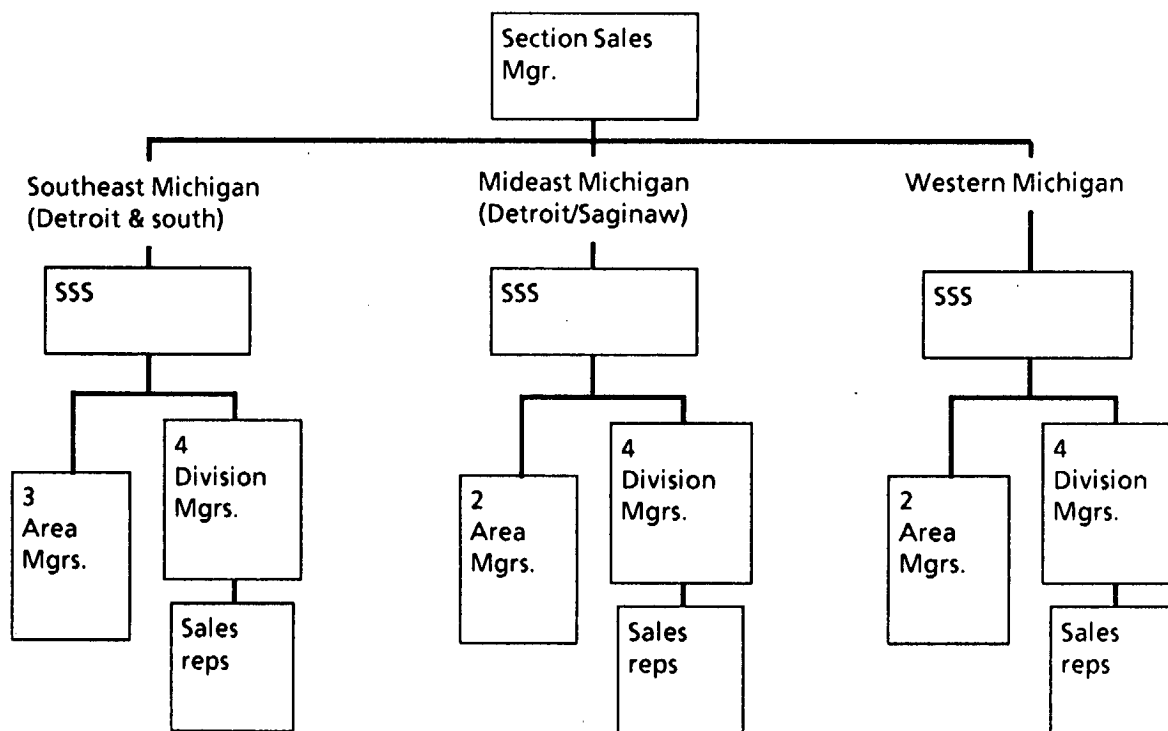
* Also warehouse call at same location/account

** Also vendor call at same location/account

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**FIELD SALES FORCE STRUCTURE
SECTION 41 (HEADQUARTERS - DETROIT)**

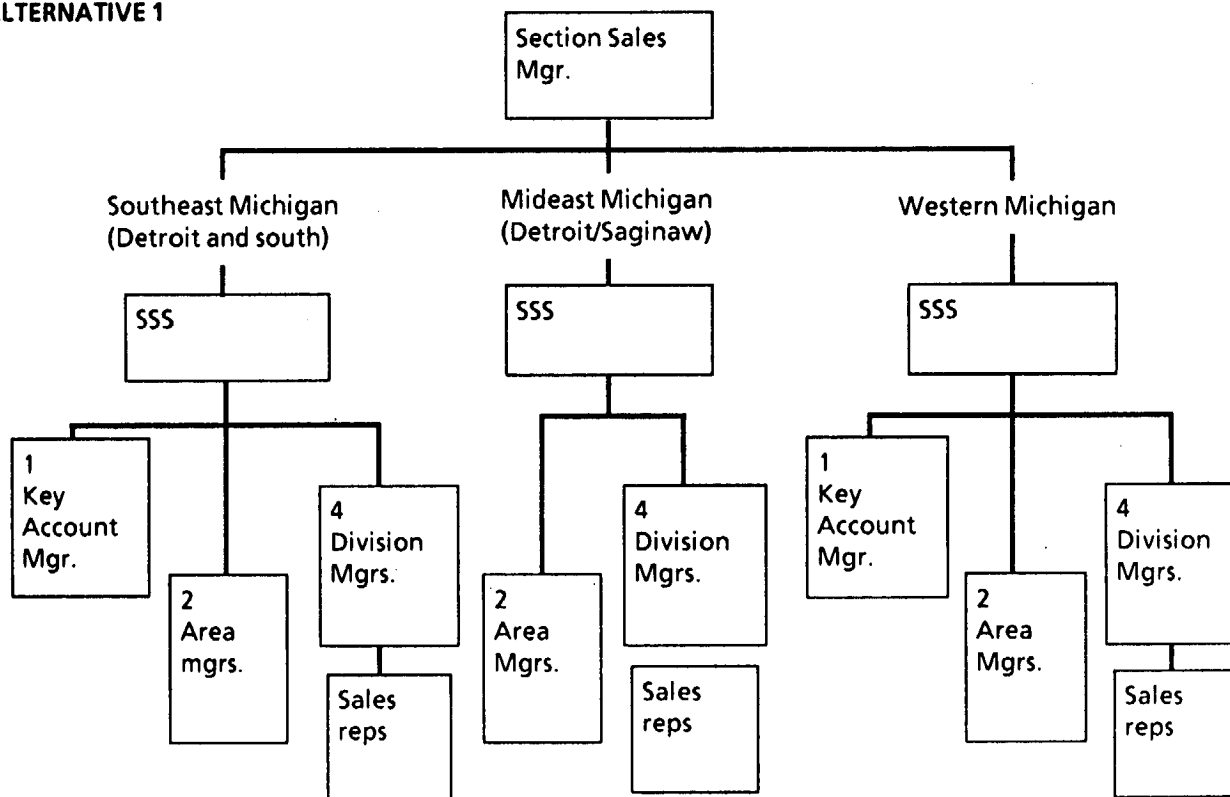
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**FIELD SALES FORCE STRUCTURE
SECTION 41 (HEADQUARTERS – DETROIT)**

ALTERNATIVE 1



Advantages

- Smoother implementation of chain decisions at retail

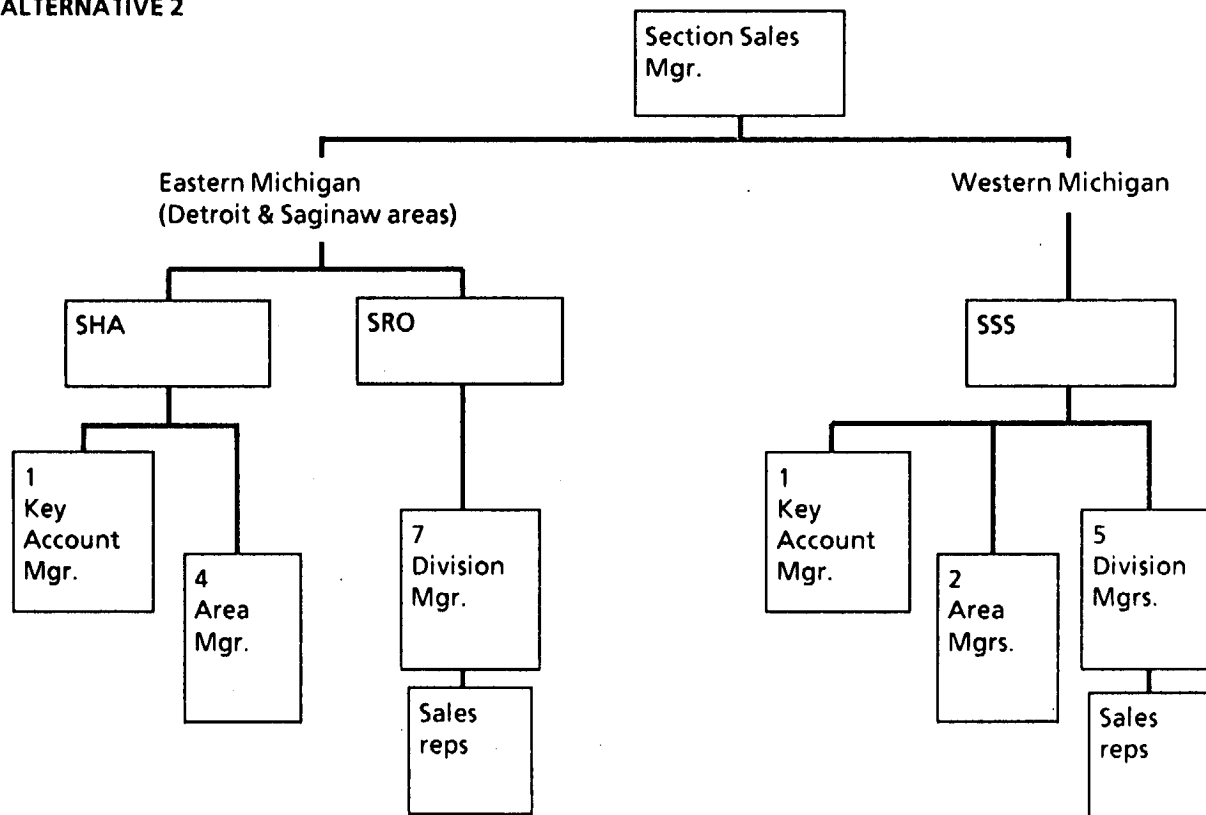
Disadvantages

- SSS spending too little time with Key Account/Account managers

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FIELD SALES FORCE STRUCTURE SECTION 41 (HEADQUARTERS – DETROIT)

ALTERNATIVE 2



Advantages

- Focused supervision for major Detroit-based chains

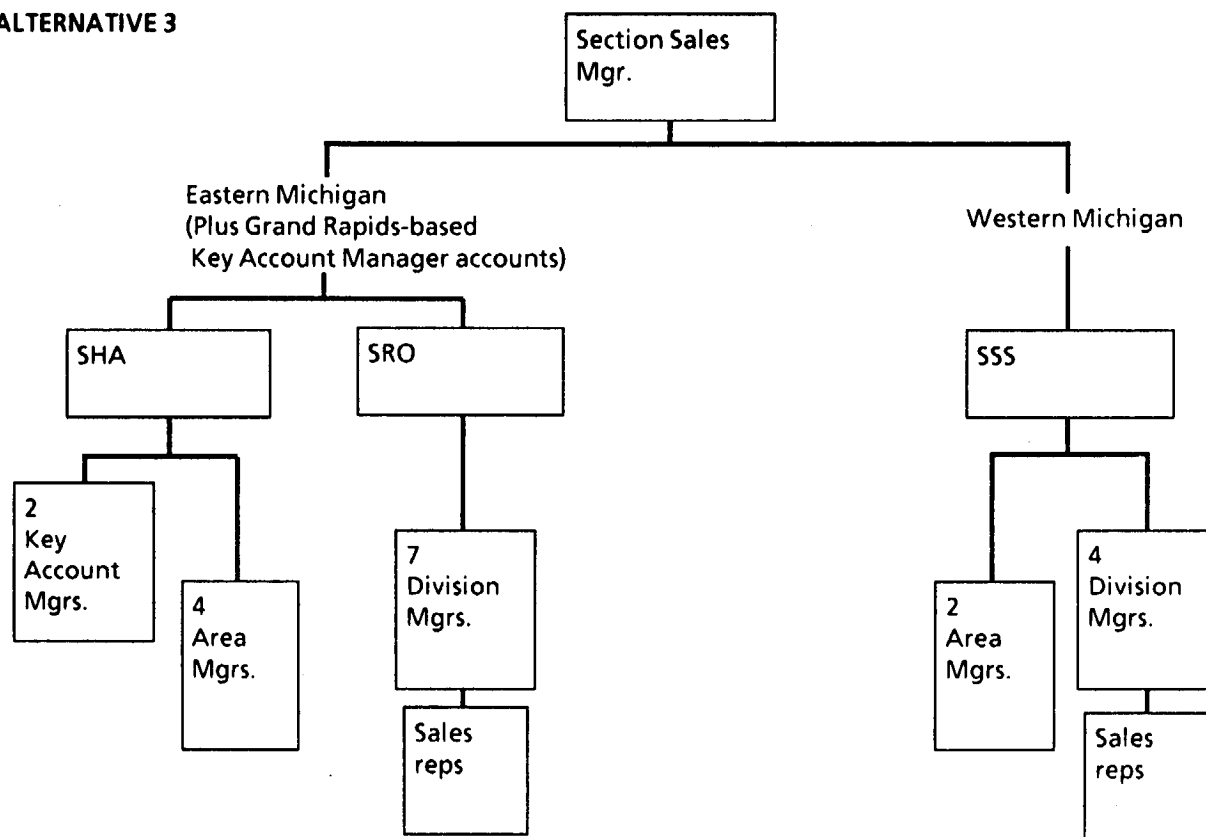
Disadvantages

- SSS and SRO have too large a span of control
- SRO/SHA results in conflicts in retail implementation

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FIELD SALES FORCE STRUCTURE SECTION 41 (HEADQUARTERS – DETROIT)

ALTERNATIVE 3



Advantages

- Focused supervision for all Key Account Manager accounts and some Account Manager accounts

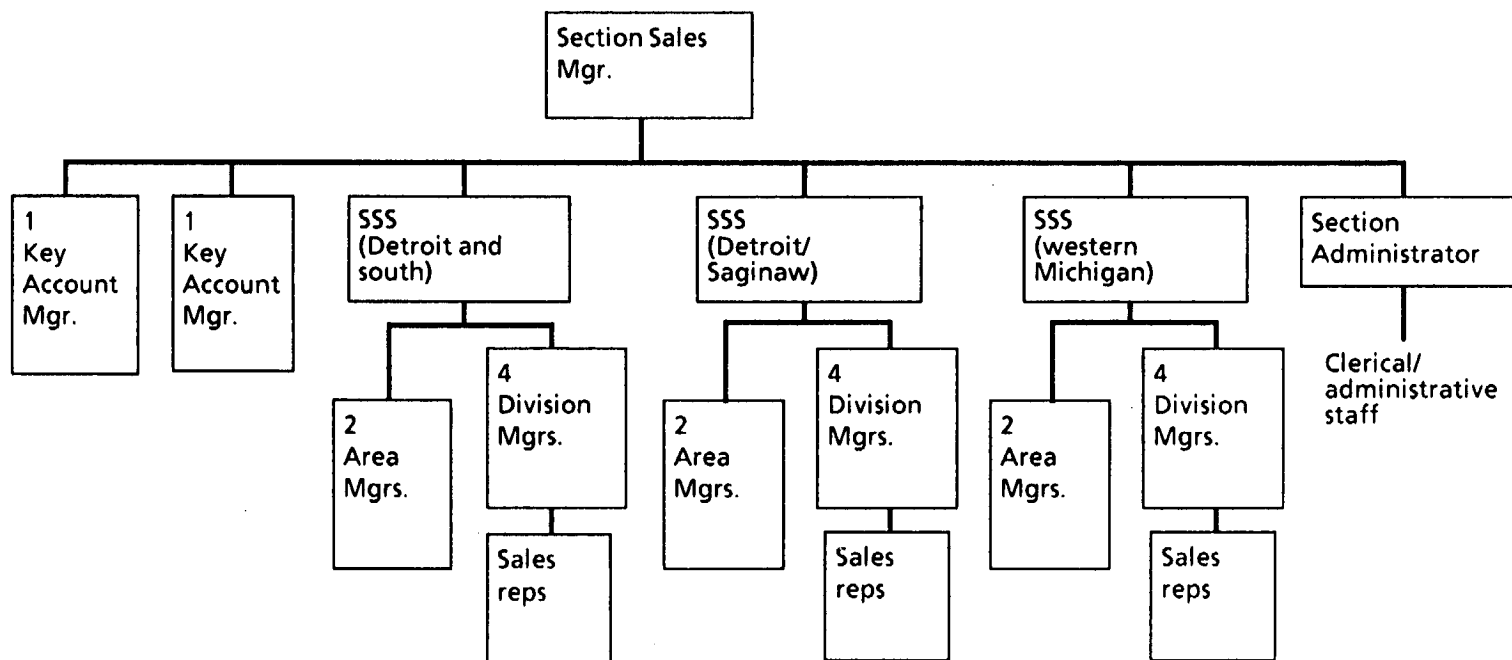
Disadvantages

- Difficult communication as SHA covers both minisections
- SRO has large span of control
- SRO/SHA results in conflicts in retail implementation

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**FIELD SALES FORCE STRUCTURE
SECTION 41 (HEADQUARTERS – DETROIT)**

ALTERNATIVE 4



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Section 52
Dallas

SECTION 52 - DALLAS

The following pages contain:

1. The characteristics of the section
2. A list of the specific accounts assigned to the three Key Account Managers recommended for the Syracuse section
3. The section's current organization chart
4. Four alternatives (Number 1 - 4) to the section's current structure which were discussed prior to the development of Option A
5. One alternative (Number 5) which reflects the Option A structure.

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SECTION CHARACTERISTICS
SECTION 52 - DALLAS

Significance of chains

Large, concentrated chains. The top five supermarket chains account for 87% of food sales. Major chains include:

- Safeway
- Kroger
- Furr's
- Winn Dixie
- Minyard's
- Skaggs Alpha Beta

Geography and population

Also Southland headquartered here
North half of Texas and State of Oklahoma

2 Major Population Centers

- Dallas/Ft. Worth
- Oklahoma City/Tulsa

Current structure

1 SRA; 2 SROs; 12 Division Managers;
8 Area Managers
8 Area Managers to SHA
6 Division Managers to each SRO

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KEY ACCOUNT MANAGER
ACCOUNT RESPONSIBILITY
SECTION 52 - DALLAS

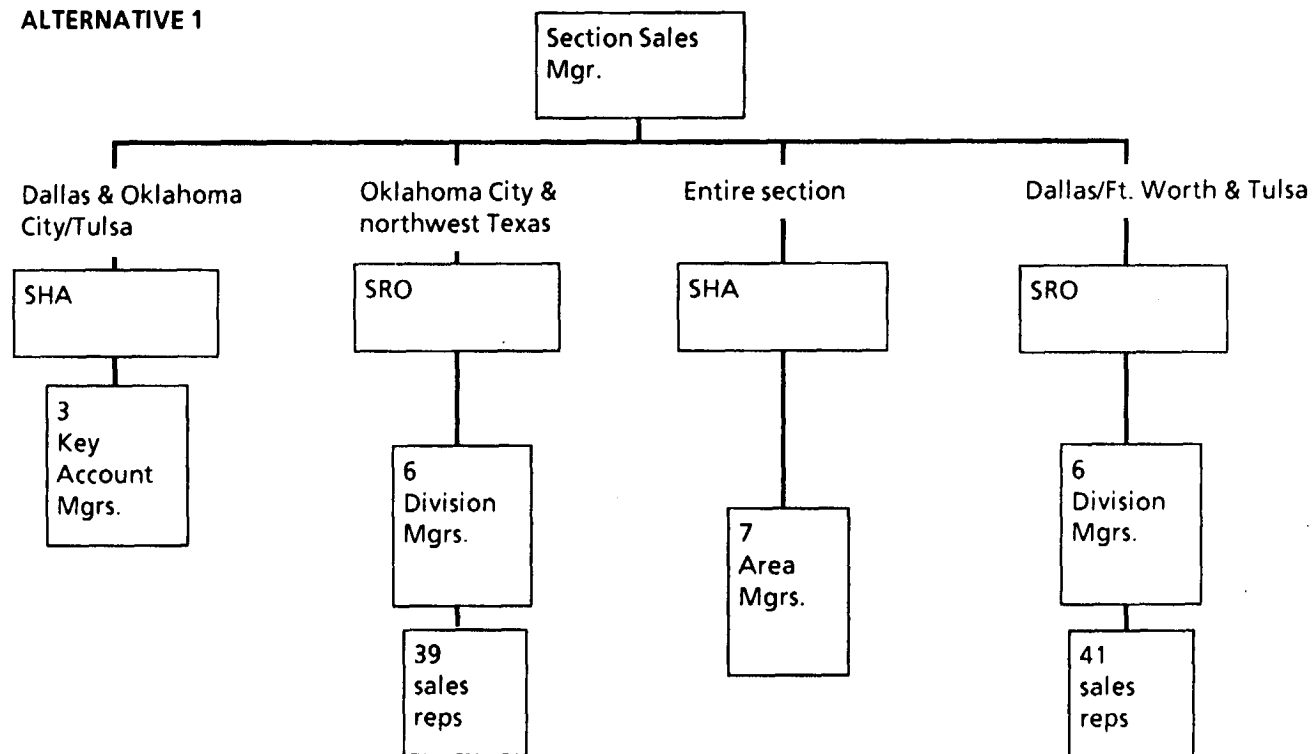
	Dallas East	Dallas West	Oklahoma City
S/M	<ul style="list-style-type: none"> - Safeway Division* - 152 stores - Tom Thumb - 55 - Brookshire - 80 	<ul style="list-style-type: none"> - Kroger Div.* - 66 - Minyards - 57 - Winn Dixie Div. - 83 - Furr's - 100 	<ul style="list-style-type: none"> - Safeway Div.* - 118 - Skaggs Alpha Beta* - Loves Stores - 107
Cov/ Gas	<ul style="list-style-type: none"> - Southland - Corp Headquarters - 7-Eleven Div. - 425 		<ul style="list-style-type: none"> - 7-Eleven Div. - 100 - Quik Trip (Corp) - 244 - Mapco - 291
W/G	<ul style="list-style-type: none"> - Grocery Supply 	<ul style="list-style-type: none"> - AM Petro/ Fina Serve 	<ul style="list-style-type: none"> - Fleming - Corp. - Fleming - Div.
Distri- butor		<ul style="list-style-type: none"> - Ponca (subsidiary of TDC) 	<ul style="list-style-type: none"> - Scrivner - Corp. - Scrivner - Div.
Total	6 accounts	6 accounts	10 accounts

* Also warehouse call at same location/account

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**FIELD SALES FORCE STRUCTURE
SECTION 52 (HEADQUARTERS - DALLAS)**

ALTERNATIVE 1



Advantages

- Most focused supervision/training of Key Account Managers/Account Managers

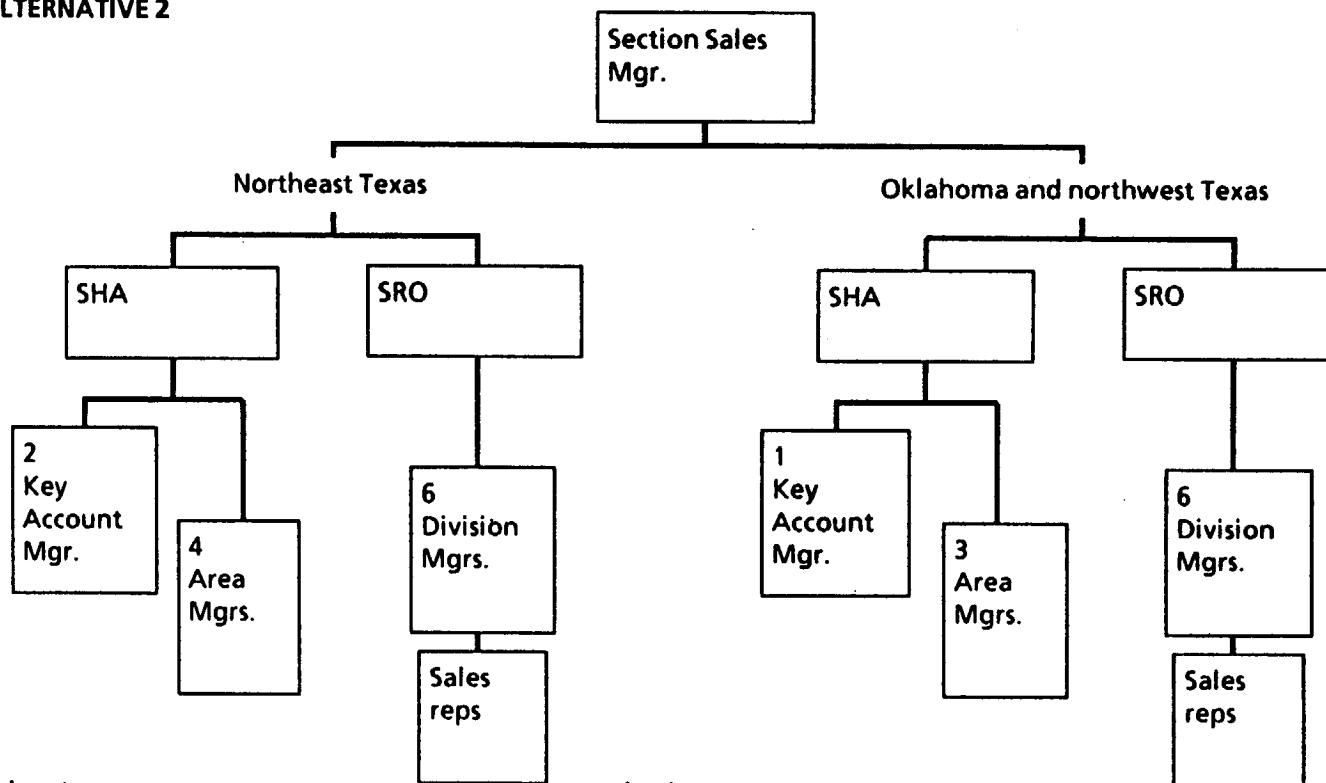
Disadvantages

- Each Key Account Manager communicates with 3-5 Division Managers; usually only 1 SRO
- Somewhat more difficult retail implementation (SSM sees no problem)

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**FIELD SALES FORCE STRUCTURE
SECTION 52 (HEADQUARTERS – DALLAS)**

ALTERNATIVE 2



Advantages

- Both SHAs have key accounts; helps training and relationship building
- More focused supervision than with SSS

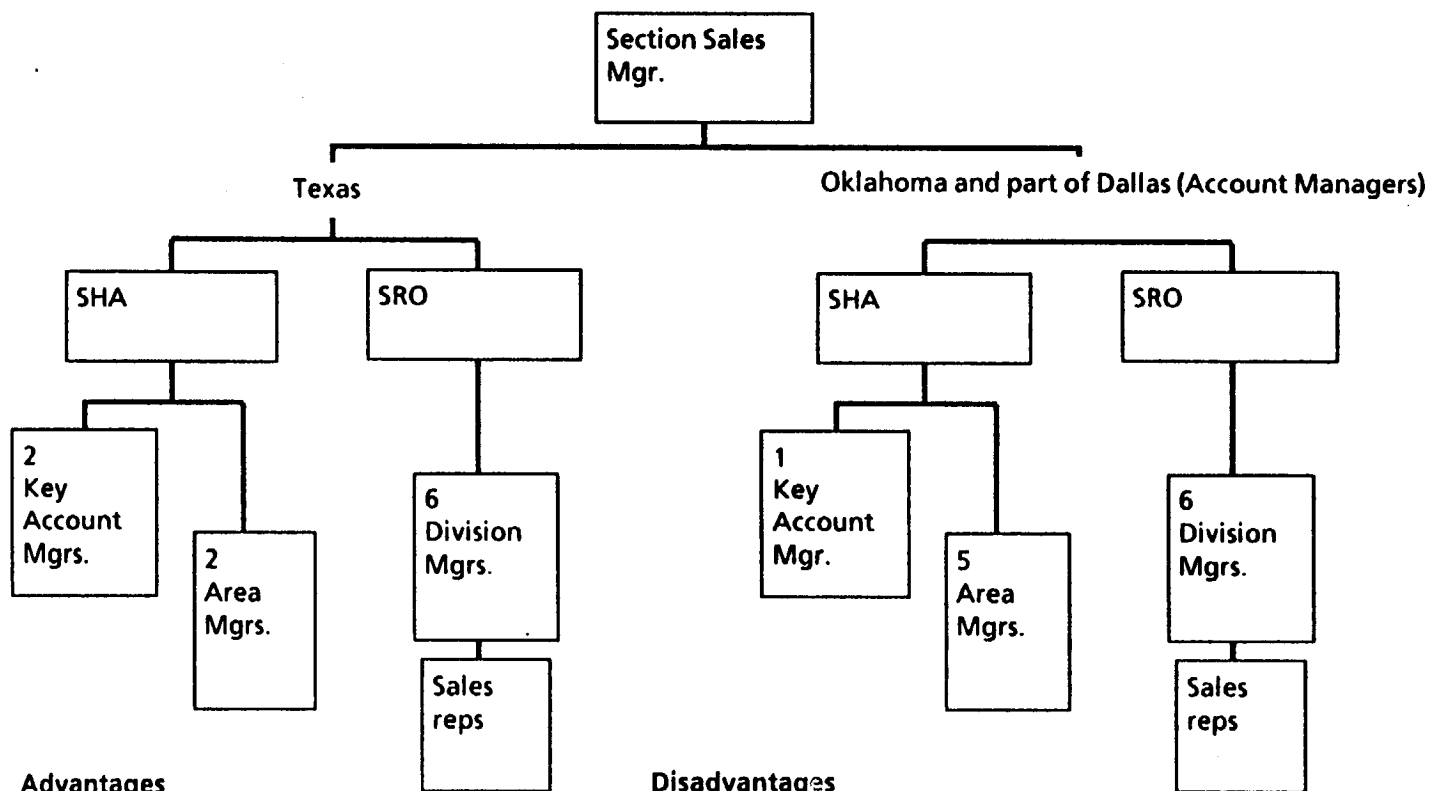
Disadvantages

- Somewhat more difficult retail implementation (SSM sees no problem)
- 1 SRO always travels
- Less specialized key account training than Alternative 1
- Each Key Account Manager communicates with 3-5 Division Managers

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FIELD SALES FORCE STRUCTURE SECTION 52 (HEADQUARTERS – DALLAS)

ALTERNATIVE 3



Advantages

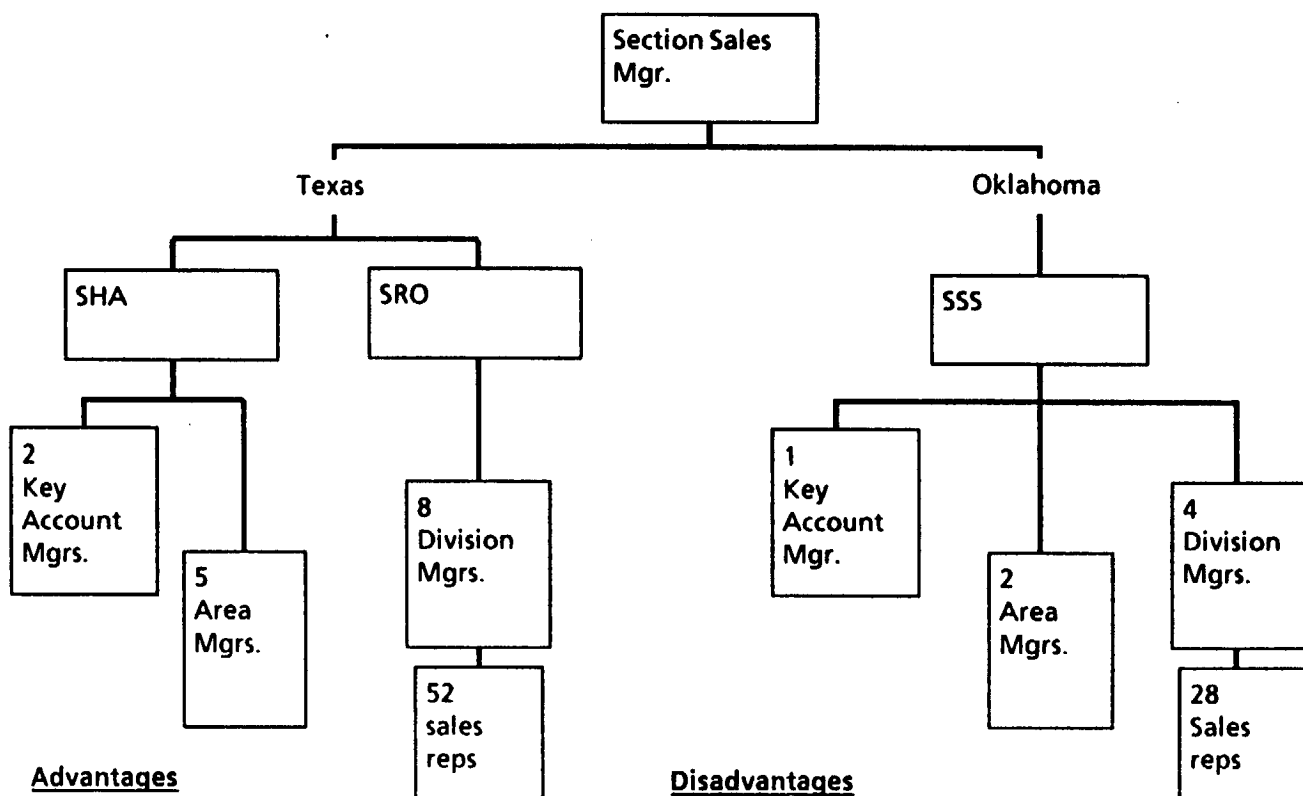
- Same as Alternative 2, plus SHA responsibility more evenly divided

Disadvantages

- Same as Alternative 2, although now both SROs travel somewhat

FIELD SALES FORCE STRUCTURE SECTION 52 (HEADQUARTERS – DALLAS)

ALTERNATIVE 4



Advantages

- Good geographic split; Oklahoma good minisection

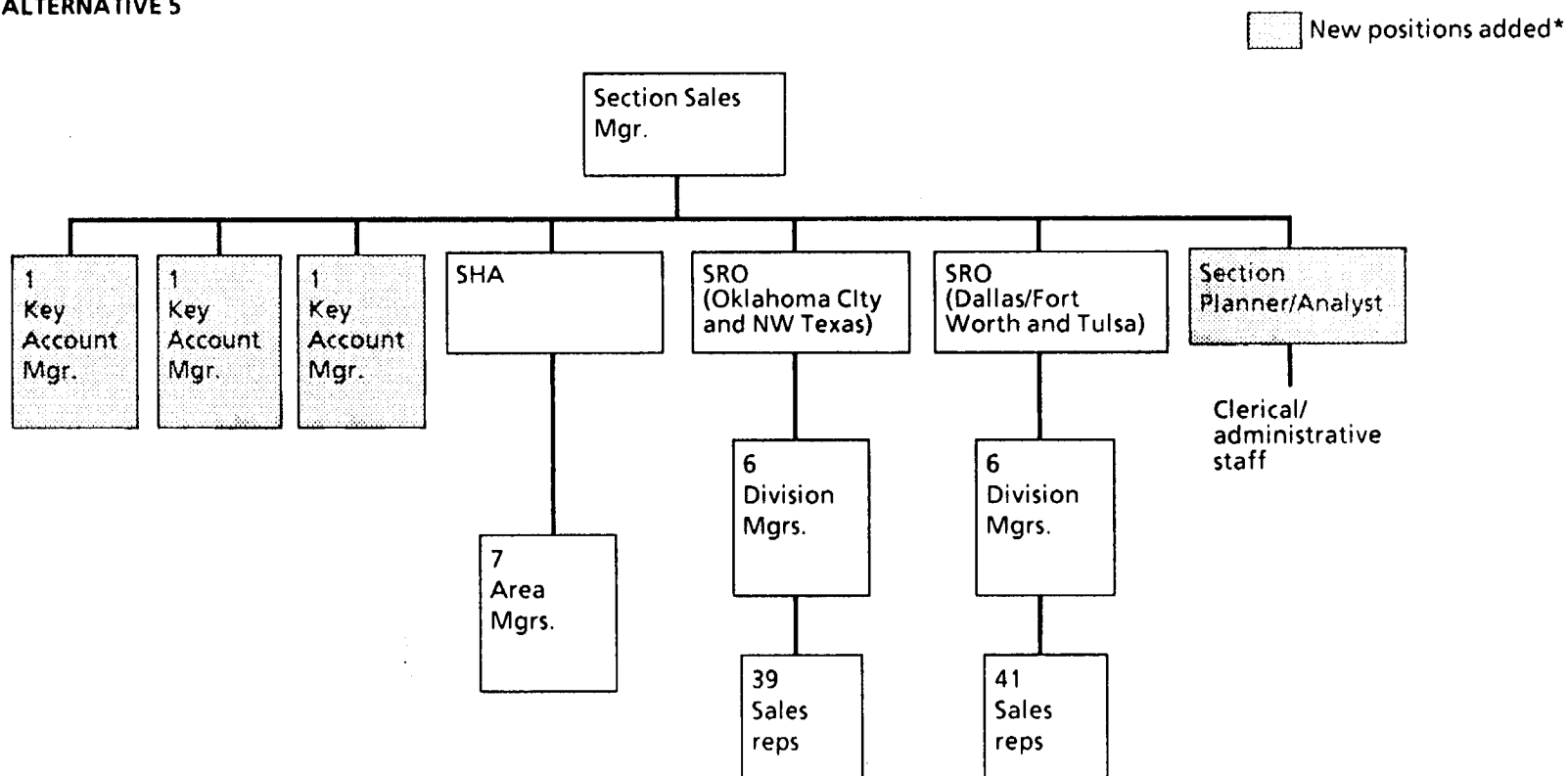
Disadvantages

- Supervisors have too many direct reports
- SSS will not have sufficient time to guide Key Account/Account Managers

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**FIELD SALES FORCE STRUCTURE
SECTION 52 (HEADQUARTERS - DALLAS)**

ALTERNATIVE 5



* In sections with fewer large chains, only 2 Key Account Managers would be added

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SECTION 62 - DENVER

The following pages contain:

1. The characteristics of the section
2. A list of the specific accounts assigned to the two Key Account Managers recommended for the Syracuse section
3. The section's current organization chart
4. Four alternatives (Number 1 - 4) to the section's current structure which were discussed prior to the development of Option A
5. One alternative (Number 5) which reflects the Option A structure.

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SECTION CHARACTERISTICS
SECTION 62 - DENVER

Significance of chains

A number of major chains in Denver:

- Safeway
- King Soopers
- 7 Eleven
- Total Petroleum

as well as Salt Lake City

- American Stores
- Skaggs Alpha Beta
- Safeway
- Smiths

Geography and population centers

States of Colorado, Utah, Wyoming,
and Idaho

2 population centers

- Denver
- Salt Lake City

Current structure

1 SHA; 1 SRO; 6 Division Managers;
6 Area Managers
6 Area Managers to SHA
6 Division Managers to SRO

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KEY ACCOUNT MANAGER RESPONSIBILITY
SECTION 62 - DENVER

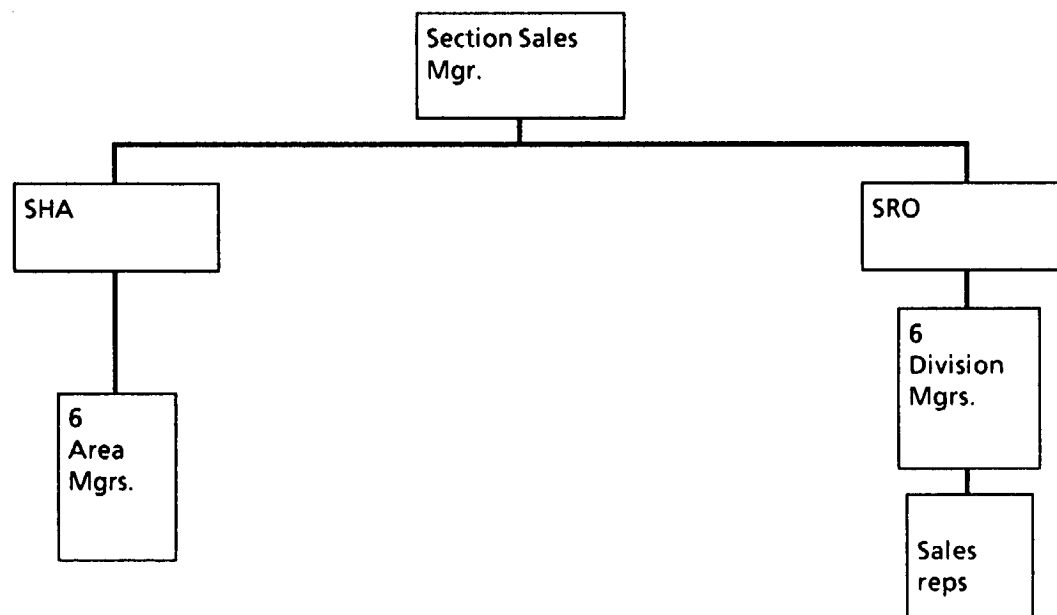
	Denver	Salt Lake City
S/M	<ul style="list-style-type: none"> - Safeway Division* - 149 stores - King Soopers* - 64 	<ul style="list-style-type: none"> - American Stores - headquarters - Skagg Alpha Beta - Operating Company - 90 - Albertsons . Corp. - 350 . Division - 29 - Safeway Division* - 62 - Smith's Management-Corp. - 83 . Division - 67
Conv/ Gas	<ul style="list-style-type: none"> - 7-Eleven Division - 458 - Total Petroleum - Corp. - 450 	
W/G	<ul style="list-style-type: none"> - McLane Division - Associated Grocers 	
	6 accounts	7 accounts

* Also warehouse call at same location/account

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**FIELD SALES FORCE STRUCTURE
SECTION 62 (HEADQUARTERS – DENVER)**

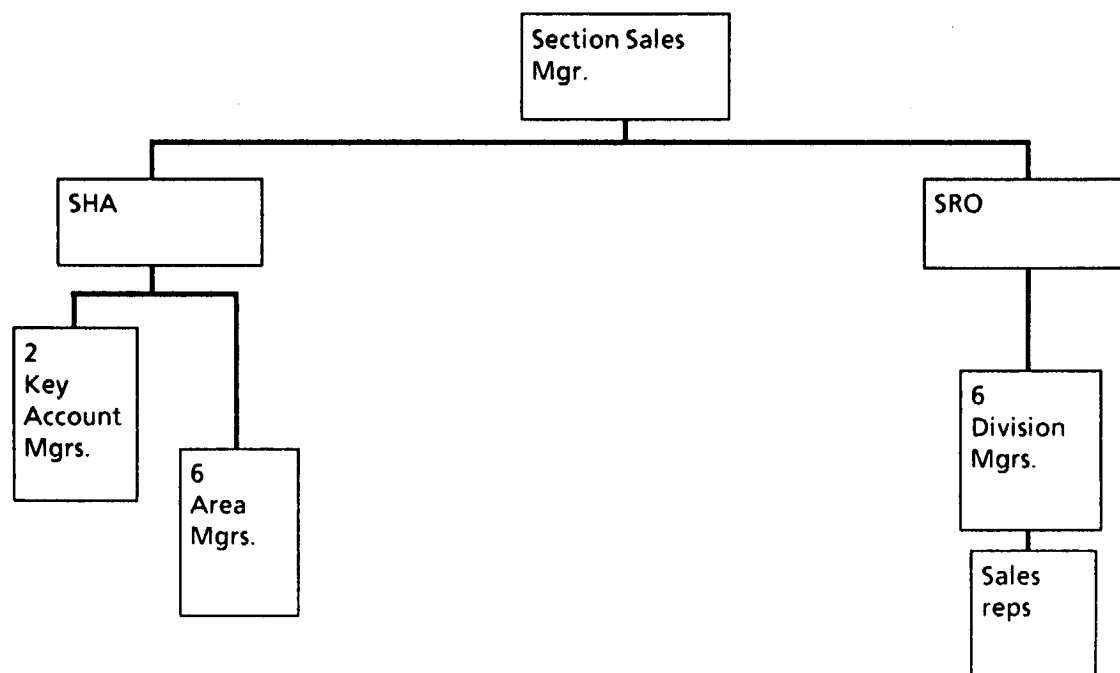
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**FIELD SALES FORCE STRUCTURE
SECTION 62 (HEADQUARTERS – DENVER)**

ALTERNATIVE 1



Advantages

- Key Account Managers/Account Managers get focused training/supervision from SHA

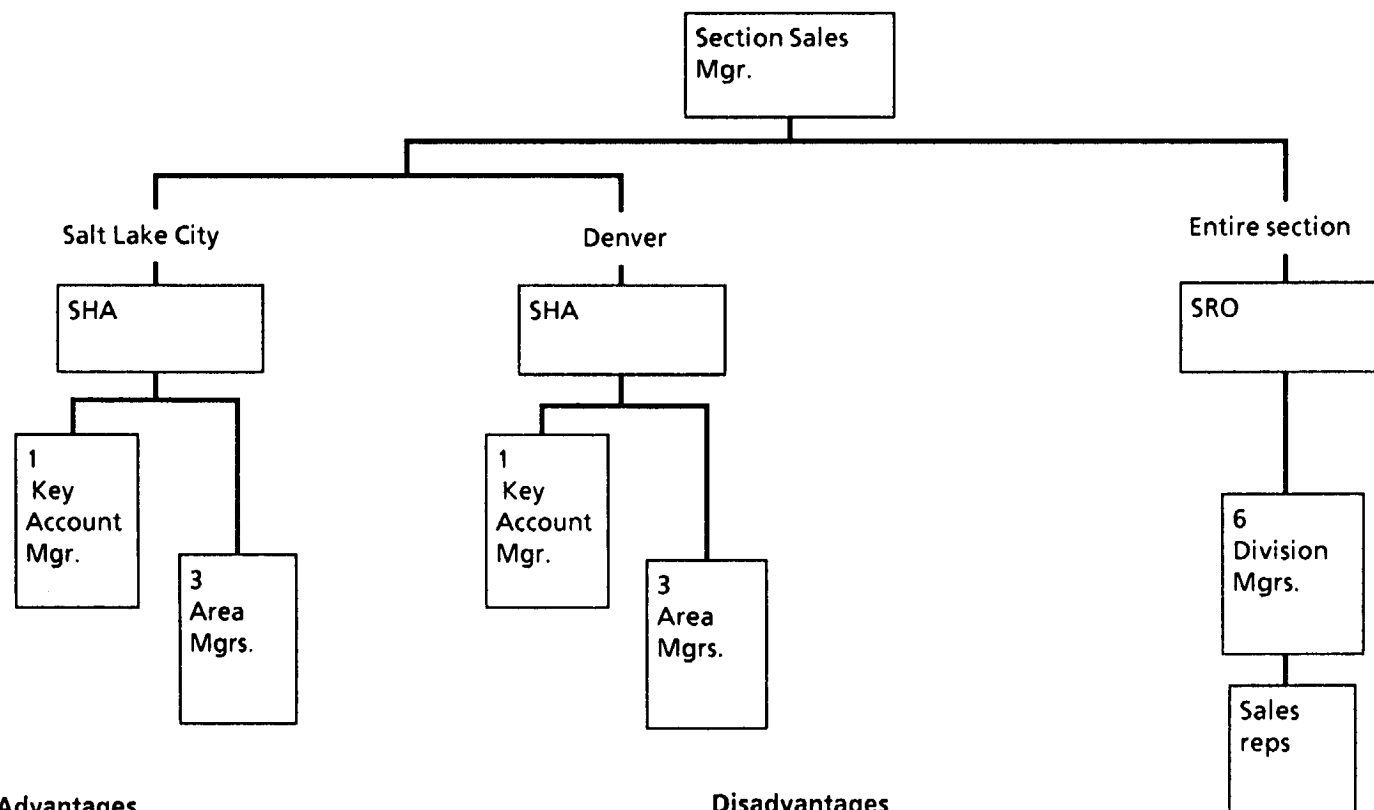
Disadvantages

- SHAs' span of control is too large
- Very large geographic coverage for supervisors (although for SHA coverage is concentrated in 2 cities)
- Retail implementation of chain decisions may be more difficult than with SSS (although SSM/DRS reported no problems with current structure)

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FIELD SALES FORCE STRUCTURE SECTION 62 (HEADQUARTERS – DENVER)

ALTERNATIVE 2



Advantages

- SHAs will have sufficient time to give focused attention to Key Account Managers/Account Managers and key account relationship development
- Good geographic split for key accounts
- SHA coordinates with 1 SRO

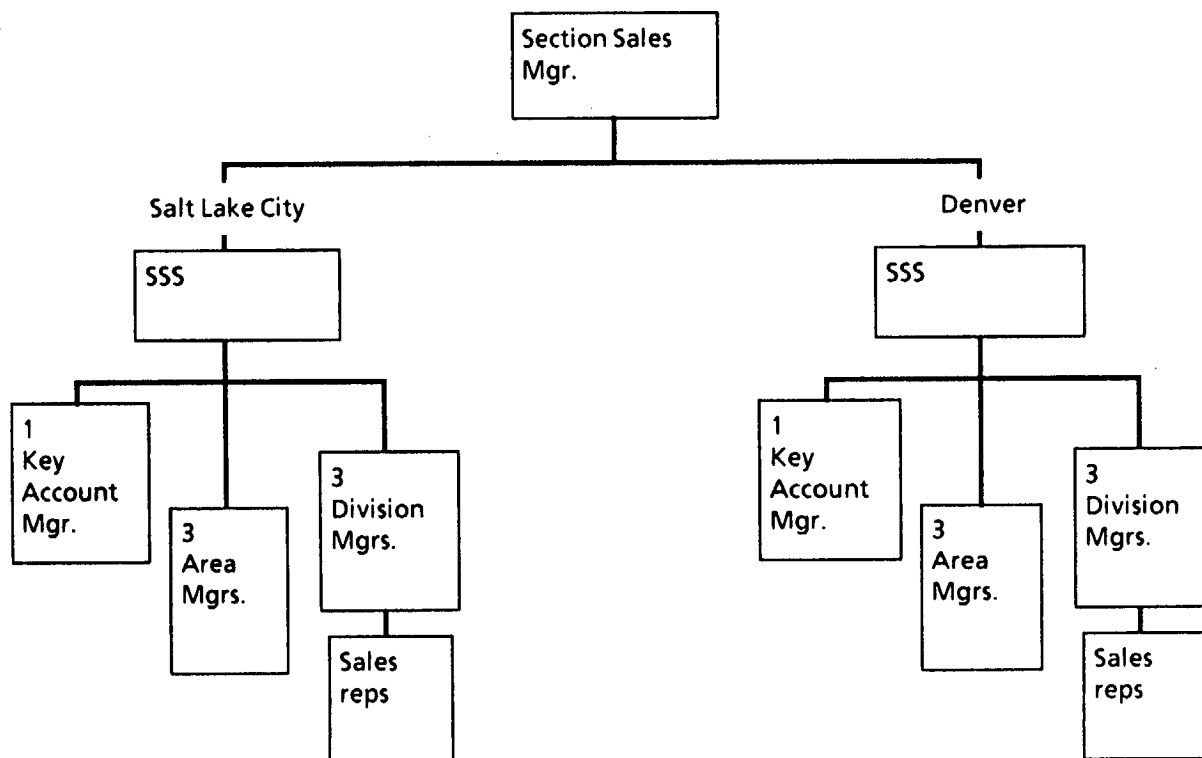
Disadvantages

- SHAs have only 4 direct reports
- SRO has large geographic coverage
- Retail implementation of chain decisions may be more difficult than with SSS (although SSM/DRS reported no problems with current SHA/SRO structure)

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FIELD SALES FORCE STRUCTURE SECTION 62 (HEADQUARTERS – DENVER)

ALTERNATIVE 3



Advantages

- Best geographic split
- Retail implementation of chain decisions may be easier (although SSM/DRS reported no problems with current SHA/SRO structure)

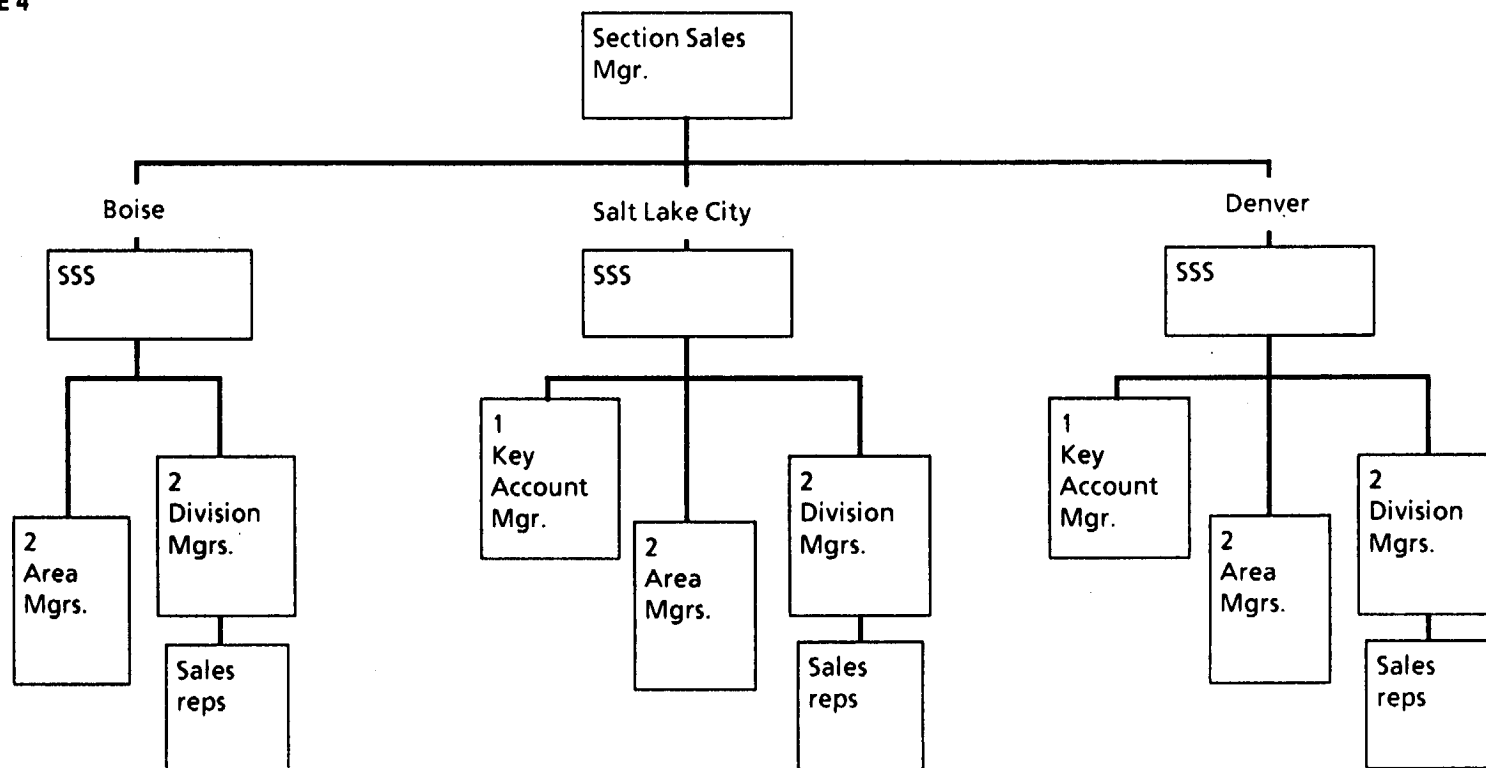
Disadvantages

- SSSs with 7 direct reports will have little time for any focused attention to training/supervising of Key Account Managers or development of key account relationships

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FIELD SALES FORCE STRUCTURE SECTION 62 (HEADQUARTERS – DENVER)

ALTERNATIVE 4



Advantages

- Retail implementation of chain decisions may be easier (although SSM/DRS reported no problems with current SHA/SRO structure)

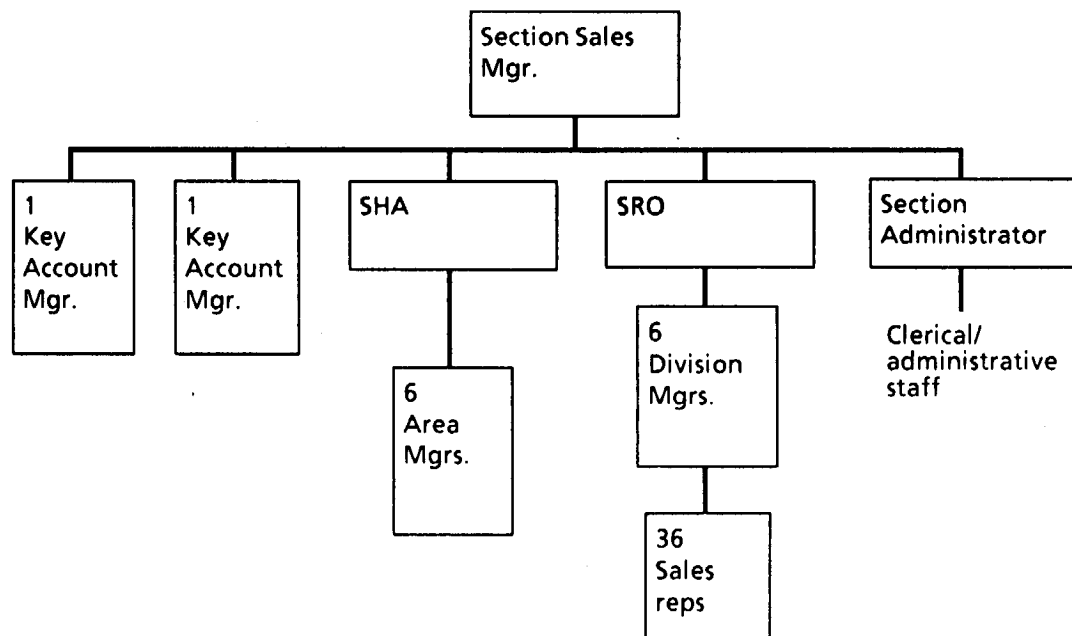
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Disadvantages

- Poor geographic split – population concentrated in Denver
- SSSs will not be able to focus solely on training/supervising Key Account Managers/Account Managers
- 1 SSS has only 4 direct reports

**FIELD SALES FORCE STRUCTURE
SECTION 62 (HEADQUARTERS – DENVER)**

ALTERNATIVE 5



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Section 72
Los Angeles

SECTION 72 - LOS ANGELES

The following pages contain:

1. The characteristics of the section
2. A list of the specific accounts assigned to the three Key Account Managers recommended for the Syracuse section
3. The section's current organization chart
4. Four alternatives (Number 1 - 4) to the section's current structure which were discussed prior to the development of Option A
5. Two alternatives (Number 5-6) which reflect the Option A structure.

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SECTION CHARACTERISTICS
SECTION 72 - LOS ANGELES

Significance of chains

Major supermarket chain area; but few convenience chains. Supermarket chains include:

- Ralph's
- Lucky's
- Safeway
- Von's
- Alpha Beta
- Hughes

Geography and population

From Santa Barbara to San Diego,
and Hawaii
1 population center - Greater Los Angeles

Current structure

1 SHA; 2 SROs, 1 SSS (Hawaii)
5 Area Managers to SHA
5 Division Managers to each SRO
1 Division Manager to SSS in Hawaii

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KEY ACCOUNT MANAGER RESPONSIBILITY
SECTION 72 - LOS ANGELES

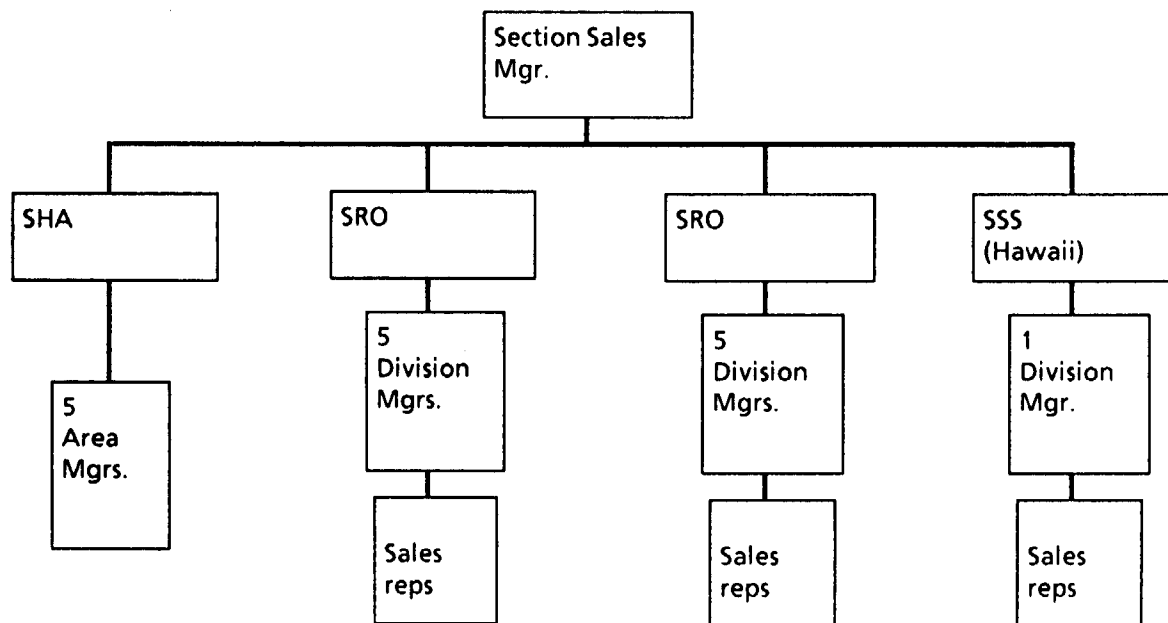
	Key Account Manager - 1	Key Account Manager - 2	Key Account Manager - 3
S/M	- Safeway Division* - 244 stores - Ralphs* - 128 - Boys Markets - 42	- Lucky's* - 235 - Hughes - 46 - Foods Company - 9	- Von's* - 178 - Alpha Beta* - 196 - Mayfair Markets* - 22 - Williams Bros. - 17
C/G			- AM/PM Mini Marts (ARCO) - 255
Drug	- Thrifty* - 277	- Sav-On* - 214	
W/G	- Certified Groceries of CA*	- Core-Mark	
Total	5 accounts	5 accounts	5 accounts

* Also warehouse call at same location/account

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**FIELD SALES FORCE STRUCTURE
SECTION 72 (HEADQUARTERS - LOS ANGELES)**

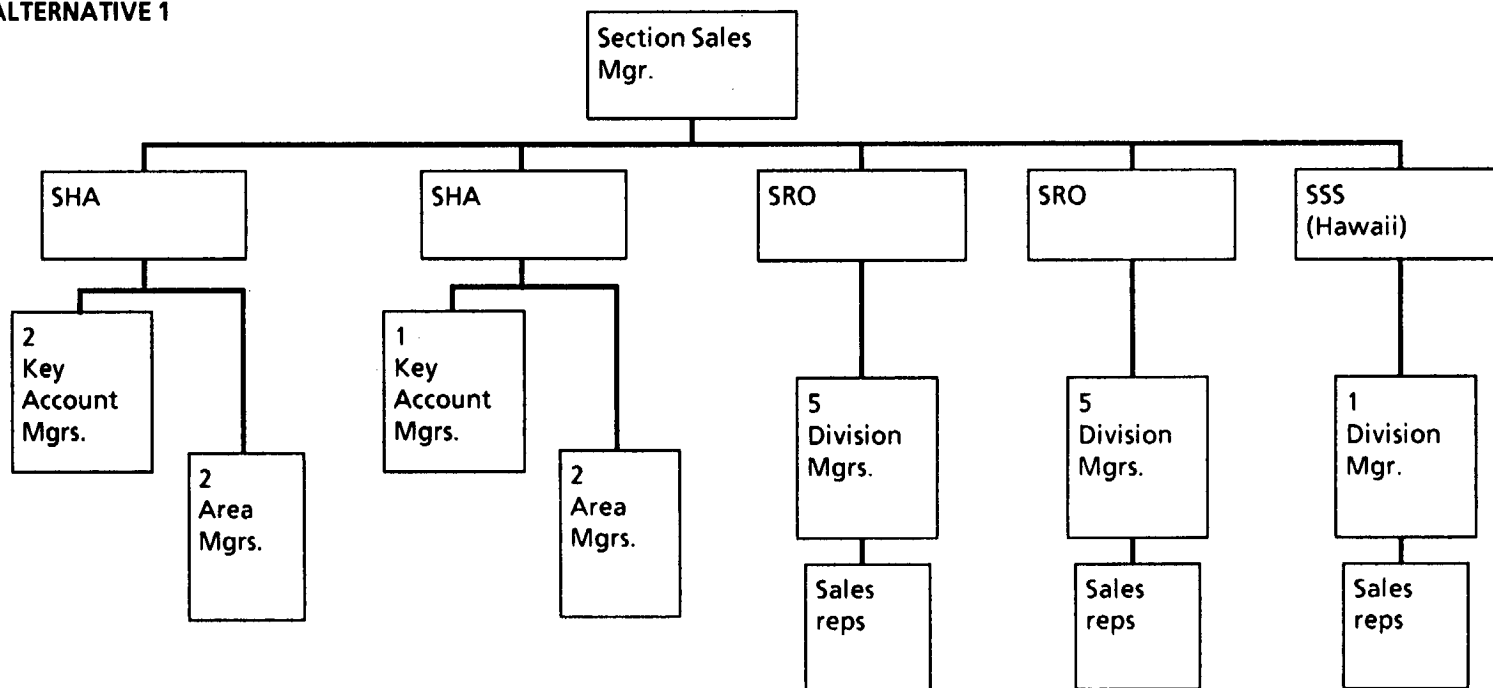
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**FIELD SALES FORCE STRUCTURE
SECTION 72 (HEADQUARTERS – LOS ANGELES)**

ALTERNATIVE 1



Advantages

- Key Account/Account Managers will receive focused training/supervision from SHA
- 2 supervisors to develop senior mgmt. relationships with key accounts

Disadvantages

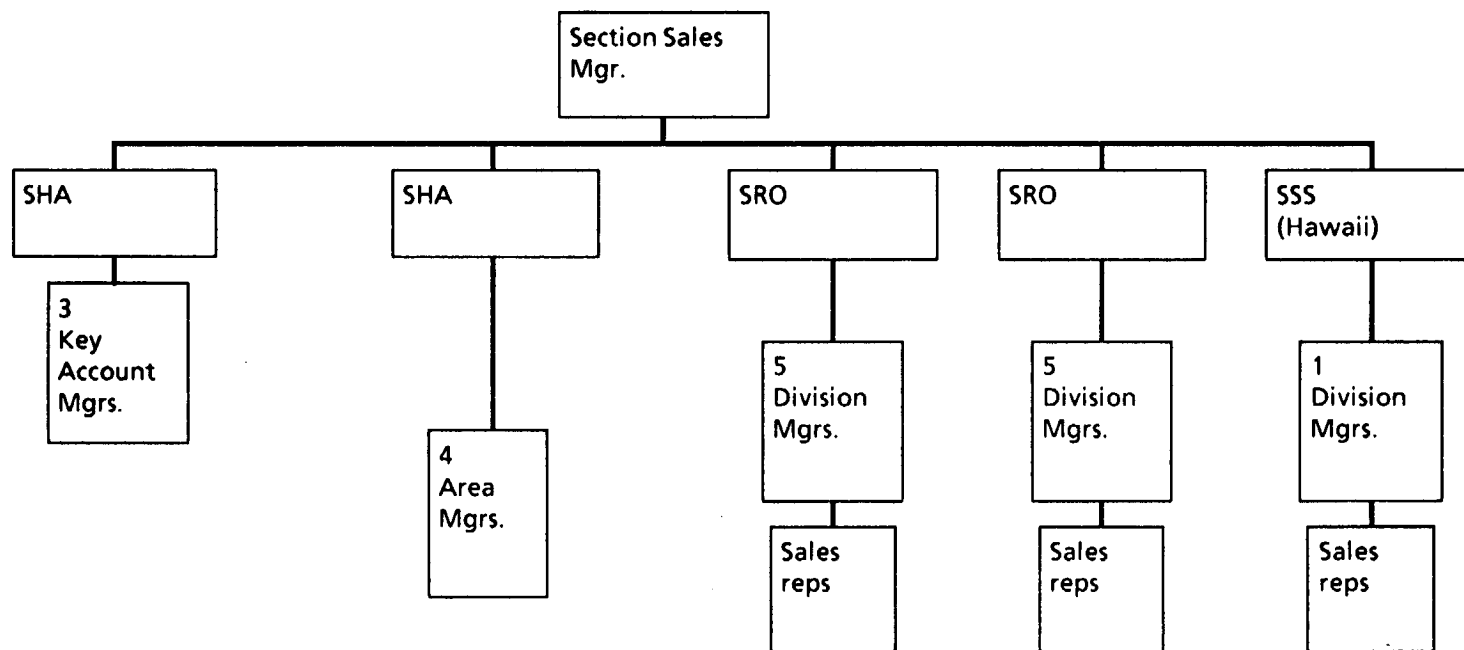
- Key accounts not as high a priority as with own supervisor

Note: Better coordination/communication with SSS not an issue, because geography cannot be divided so that Key Account/Account Manager interacts with only 1 retail supervisor

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**FIELD SALES FORCE STRUCTURE
SECTION 72 (HEADQUARTERS – LOS ANGELES)**

ALTERNATIVE 2



Advantages

- Most specialized supervision/training of Key Account/Account Managers

Disadvantages

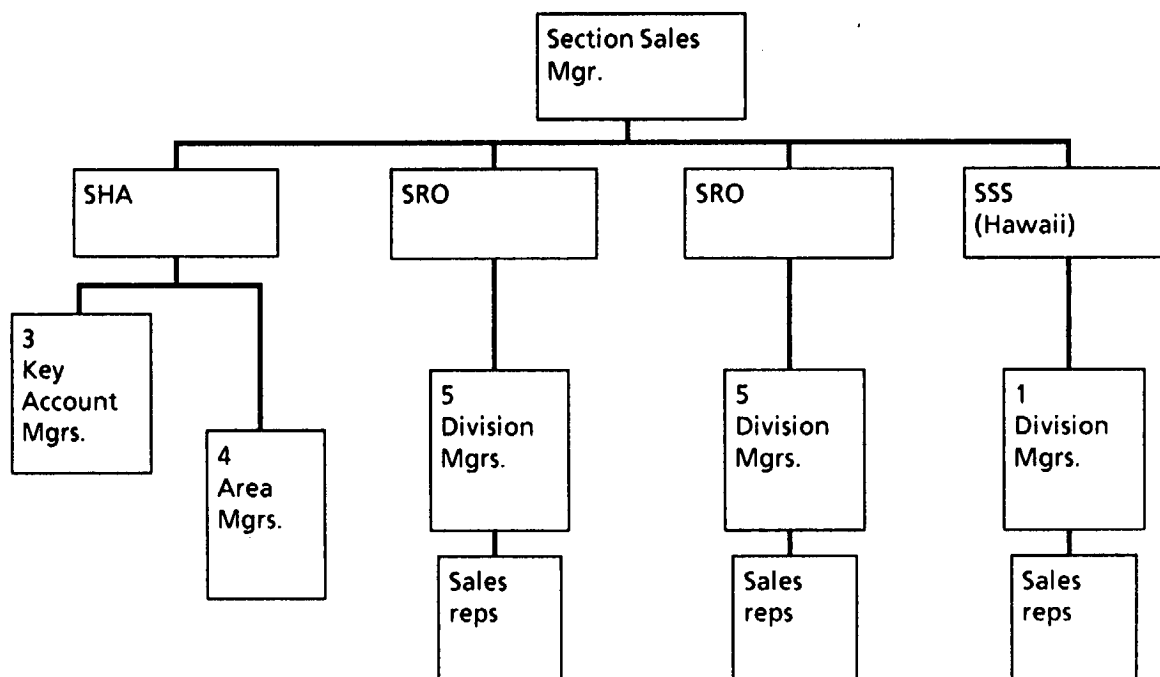
- Only 1 supervisor exists for relationship development in most concentrated market for supermarket chains

Note: Better coordination with SSS is not an issue because geography cannot be divided so that Key Account/Account Manager interacts with only 1 retail supervisor

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**FIELD SALES FORCE STRUCTURE
SECTION 72 (HEADQUARTERS – LOS ANGELES)**

ALTERNATIVE 3



Advantages

- Key Account/Account supervisor does not need to focus on retail

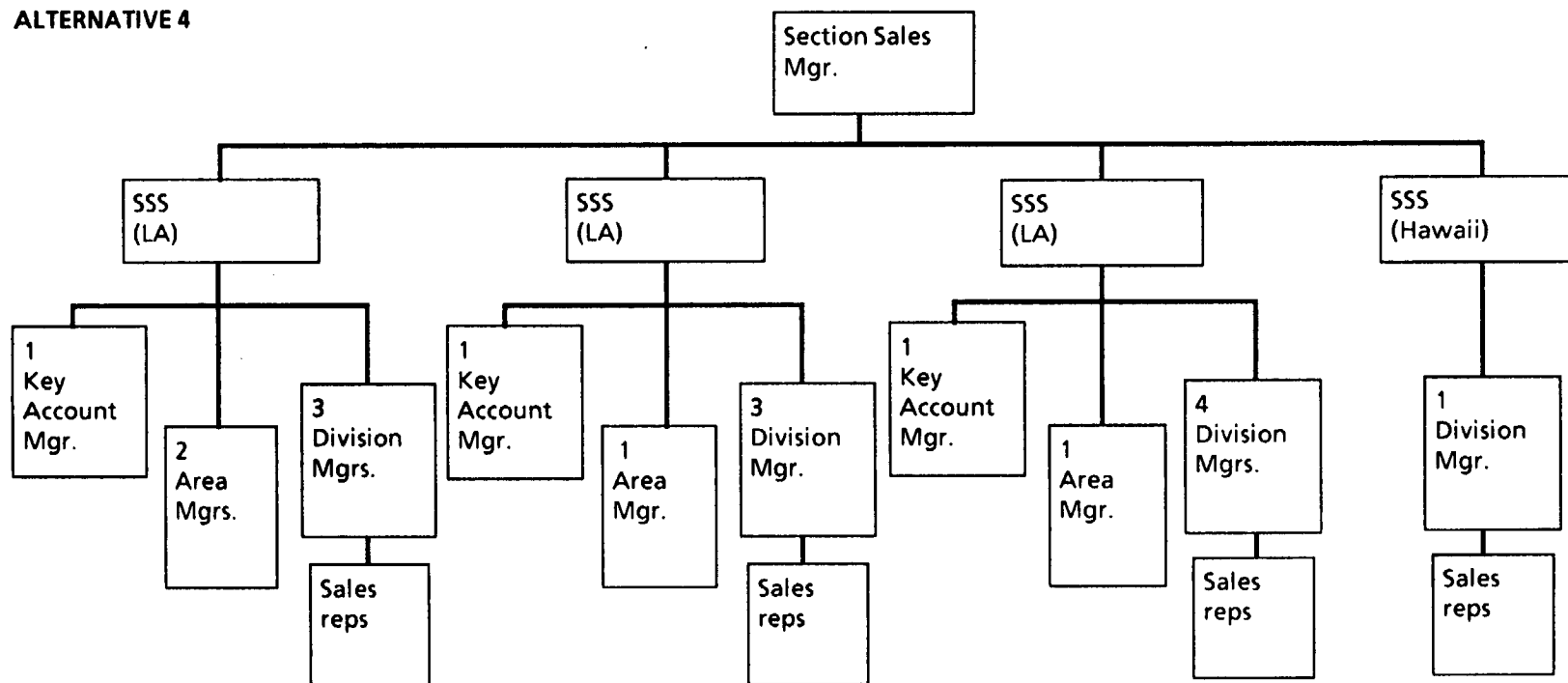
Disadvantages

- Key Account/Account Managers will get little individual training/development if supervisor has 7 direct reports
- Only 1 supervisor for relationship development
- SSM span of control gets too large

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FIELD SALES FORCE STRUCTURE SECTION 72 (HEADQUARTERS – LOS ANGELES)

ALTERNATIVE 4



Advantages

- More supervisors for relationship building, if time available given retail responsibilities

Disadvantages

- Key accounts will not get focused attention

Note: Will not get better implementation/communication with SSS because Key Account /Account Managers will need to go to numerous Division Managers to achieve implementation

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APPENDIX B
- B X I W
KEY ACCOUNT DATA BASE

* * *

APPENDIX B - KEY ACCOUNT DATABASE

The section includes information on the key account database which was established for the seven test sections. This database includes:

1. Information collected on all major accounts in these seven sections. The information was provided by Supervisors and Area Managers drawing upon both the Chain Account Listing and also the Area Manager's knowledge about the decision-making process at each account.
2. Provides account profiles for the seven test sections, namely, Section 13 - Syracuse, Section 21 - Philadelphia, Section 33 - Jacksonville, Section 41 - Detroit, Section 52 - Dallas, Section 62 - Denver, Section 72 - Los Angeles.
3. Is run using FOCUS on any personal computer, and therefore is inexpensive.
4. Is summarized in seven separate documents (e.g., entitled Key Account Database Section 13 - Syracuse).

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The database includes information for accounts in five classes of trade:

1. Supermarket
2. Convenience/gas
3. Wholesale grocers
4. Tobacco distributors
5. Vendors.

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Information provided on supermarket and convenience/gas chains comprises:

¶ Account description

- Name
- Location
- Account number
- Class of trade
- Type of call (e.g., Division)
- Number of Outlets
- Number of Divisions
- Code of current Area Manager responsible

¶ Volume information

- Total cartons per week
- PM-USA carton per week
- Direct purchase (yes or no)

¶ Store information

- Percent outlets self service for cartons and rack
- Fixture supplier for cartons and racks
- Average PM-USA rows in Plan A stores

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- ¶ Tools/knowledge/expertise required to sell each key decision-maker
- ¶ PM-USA contact for each decision maker with frequency of contact and accessibility
- ¶ Chain decision-making process
 - Name, title, and location of decision-makers for (1) Fixturing, (2) Space/Plan A's (3) Distribution, and (4) Merchandising programs
- ¶ Members of Buying Committee, if applicable
- ¶ Account status/issues
- ¶ Specific account objectives for next 12 months.

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Information provided on wholesale grocer accounts comprises:

¶ Account description

- Name
- Location
- Account number
- Class of trade
- Type of call (e.g., Division)
- Number of stores served
- Number of Divisions
- Number of salespeople
- Code of current Area Manager responsible

¶ Volume information

- Total cartons per week
- PM-USA carton per week
- Direct purchase (yes or no)

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- ¶ PM-USA contact for each decision-maker with frequency of contact and accessibility
- ¶ Accounts decision-making process
 - Name, title, and location of decision-makers for other programs
- ¶ Account status/issues
- ¶ Specific account objectives for next 12 months.

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Information provided on tobacco distributors comprises:

¶ Account description

- Name
- Location
- Account number
- Class of trade
- Type of call (e.g., Division)
- Number of Outlets served
- Number of Divisions
- Number of salespeople
- Code of current Area Manager responsible

¶ Volume information

- Total cartons per week
- PM-USA carton per week
- Direct purchase (yes or no)

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- ¶ PM-USA contact for each decision maker with frequency of contact and accessibility
- ¶ Accounts decision-making process
 - Name, title, and location of decision-makers for other programs
- ¶ Account status/issues
- ¶ Specific account objectives for next 12 months.

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Information provided on vendors comprises:

¶ Account description

- Name
- Location
- Account number
- Class of trade
- Type of call (e.g., Division)
- Number of locations
- Number of machines
- Code of current Area Manager responsible

¶ Volume information

- Total cartons per week
- PM-USA carton per week
- Direct purchase (yes or no)

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The database includes not only a numeric sketch of each key account but also information on account decision-makers.

KEY ACCOUNT DATABASE

EXAMPLE

CHAIN ACCOUNT

SURVEY NUMBER	100
ACCOUNT	ALPHA BETA CO
ACCOUNT NUMBER	31152
CITY	LA HABRA
STATE	CA
AREA MGR	7225
CLASS OF TRADE	SM
TYPE OF CALL	
NUMBER OF DIVISIONS	1
NUMBER OF OUTLETS	196
TOTAL CPW	520
PM-USA CPW	230
DIRECT PURCHASE	YES

% OUTLETS SELF-SERVICE

SELF SERVICE CARTONS	99
SELF SERVICE PACKS	1

CURRENT RACK SUPPLIER

CURRENT SUPPLIER CARTONS	RJR
CURRENT SUPPLIER PACKS	RJR

AVG ROWS	71
PLAN A STORES	194

TOOLS/KNOWLEDGE/EXPERTISE REQUIRED

(SPECIFIC CONTACT)	(E.G. BUYER VP-OPERATIONS)
--------------------	----------------------------

BUYER	MERCH CONTRACTS, SHELF SPACE, NEW BRANDS, PRMO
MERCHANDISER	
VP SALES	NEW FIXTURING
PRES	BUSINESS REVIEW

(SPECIFY CONTACT)

BUYER

MERCHANDISER

VP SALES

PM USA PERSON RESP

AREA MANAGER

AREA MANAGER

S.S.M.

FREQUENCY

ACCESSIBILITY

EASY

EASY

DIFFICULT

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CHAIN ACCOUNT (CONT)

PAGE 2

SURVEY NUMBER 100
ACCOUNT ALPHA BETA CO
ACCOUNT NUMBER 31152

BUYING COMMITTEE INVOLVED

IF SO, DOES A PM-USA INDIVIDUAL PRESENT TO THIS COMMITTEE?

PLEASE EXPLAIN NO BUYER GOES EVERY 3 WKS TO GENERAL MERCH W/ NEW ITEMS

DECISION MAKERS	NAME	COMMITTEE/FINAL DECISION MAKER	TITLE	LOCATION
FIXTURES	DON BATES	FINAL DECISION MKR	V.P	
SPACE/PLAN AS	ROY POPP	MBR/BUYING COMMITTEE	BUYER	SUNRICH DIV
DIST/NEW BRANDS	ROY POPP	MBR/BUYING COMMITTEE	BUYER	SUNRICH DIV
MERCH PROGRAMS	ROY POPP	MBR/BUYING COMMITTEE	BUYER	SUNRICH DIV
OTHER PROGRAMS			BUYER	
SALEPEOPLE				

ACCT/STATUS/ISSUES RELUCTANT ON VALUE RACKS, PM OR RJR.
CONCERNED FOR POOR SALES OF ON HOUSE GENERICS

OBJECTIVES ACCEPTANCE ON TEST OF PM CARTON FIXTURES

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The database could be used by the Section head (i.e., Section Sales Manager or Section Director) along with the Key Account Manager to:

1. Establish specific objective(s) for each key account on an annual, or semi-annual basis.
2. Monitor progress made toward attaining the specific account objective(s).
3. Maintain an accurate, written history of decision-makers at all levels of the chain.
4. Analyze trends in volume, number of outlets, percent self-service stores for a given chain or all chains within the section.

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For example, the database was used to determine the CPW ranking of chains in the Syracuse market. If this information was tracked over time, Key Account Managers might have found a powerful sales story developing on whether their specific account was losing (or gaining) position.

DATABASE USE SYRACUSE KEY ACCOUNTS

EXAMPLE

SURVEY TYPE															
1=CHAIN															
2=TOBACCO ACCOUNT		ACCOUNT													
3=WHSE		NUMBER	NAME	CITY	STATE	CODE AREA	CLASS MGR	TYPE OF TRADE	TYPE OF CALL	NUMBER OF DIVISIONS	NUMBER OF OUTLETS	NUMBER OF SALESPEOPLE	TOTAL CPW	PM-USA CPW	
10	1	10912	MEGMANS MARKET INC	ROCHESTER	NY	1324	SM	NC HQ		1	38		934	350	
7	1	29398	BIG V SUPERMARKETS	FLORIDA	NY	1326	SM	NC HQ		1	32		879	298	
9	1	16488	QUALITY MARKETS	JAMESTOWN	NY	1325	SM	NC HQ		1	23		700	228	
1	1	12690	PRICE CHOPPER	SCHENECTADY	NY	1321	SM	CP DIV		1	58		699	235	
19	1	28112	CARLS DRUGS	ROME	NY	1322	DRUG	CP DIV		1	42		690	220	
17	1	25124	FAYS DRUG CO	LIVERPOOL	NY	1323	DRUG	CP NTL		1	144		588	201	
11	1	12262	TOPS MKTS	BUFFALO	NY	1324	SM	NC HQ		1	63		565	183	
5	1	17472	P & C MARKETS	SYRACUSE	NY	1327	SM	CP DIV		1	65		498	166	
56	1	21042	KINNEY DRUGS	GOVERNEUR	NY	1323	DRUG	NC HQ		1	27		436	163	
25	1	23822	GRAND UNION WATERFORD	WATERFORD	NY	1321	SM	CP DIV		1	132		394	135	
20	1	47308	GREAT AMERICAN	NORWICH	NY	1322	SM	CP DIV		1	82		390	134	
6	1	14504	7-11 NORTHEAST	WHITE PLAINS	NY	1326	CG	CP DIV		1	385		319	131	
15	1	10534	WILSON FARMS	BUFFALO	NY	1324	CG	NC HQ		1	64		234	77	
14	1	29924	B-KWIK MKTS	BUFFALO	NY	1324	CG	NC HQ		1	14		207	66	
21	1	41885	CFM ENTERPRISES	BALLSTON	NY	1321	CG	CP REG		1	68		181	66	
12	1	44054	SUGAR CREEK STORES	ROCHESTER	NY	1324	CG	CP DIV		1	45		170	67	
22	1	13498	STEWARTS ICE CREAM	SARATOGA SPRINGNY		1321	CG	NC HQ		1	143		117	44	

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Additional information could be included in a key account database to make it an even more powerful tool. For example:

- ¶ Address and phone numbers of all key chain decision-makers
- ¶ Specific information on key decision-makers. For example,
 - Favorite sport
 - Spouse's name
 - Child's college
 - Favorite football team.
- ¶ Integrated account summarizes for non-direct chains and intermediaries who serve them.

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